

BUDGET & FINANCIAL POLICIES

Presented by Sheryl Sculley, City Manager



Financial Policies

- City Council formally adopted current policies in September 2014
- Best practice for municipal governments
- Critical to prudent financial management
- Contributed to the City's "AAA" rating



Adopted Financial Policies

- Maintain a minimum of 15% available balance in the General Fund
- Manage “crowd-out” - maintain Public Safety budgets below 66% of the General Fund



Adopted Financial Policies

- Manage structural balance in the General Fund
- Utilize moderately conservative revenue projections
- Establish contingency reserves of \$1 million for General Fund and \$3 million for capital budget
- Address Internal Service fund deficits within 3 to 5 years



City Property Tax Rate

- No City Property Tax Rate increase in 23 years
 - City has decreased rate 4 times since FY 2006
 - FY 2016 – Most recent rate decrease due to strong growth in valuations

Property Tax Rate History

FY 2006	FY 2008	FY 2009	FY 2010	FY 2016
57.854	57.230	56.714	56.569	55.827



Potential Legislative Impact

- Reduce property tax revenue cap from 8% to 4%
- If proposed cap had been in place since FY 2007, revenue loss would be \$244 million

